October 2006 Socio-economic Series 06-018

Establishing On-reserve Housing Authorities

INTRODUCTION

Effective on-reserve housing management models and systems are fundamental elements in the creation of sustainable housing programs as First Nations move toward self-government.

For this research project, a housing authority is defined as an arm's-length housing management body, which may or may not be incorporated, that manages, operates and administers housing on behalf of owner(s), which can include Chief and Council of a First Nation.

"Arm's-length" is defined as a term that describes a relationship between a First Nation government and a housing authority that exists between two distinct entities, with or without separate legal definition. The two entities communicate, but act separately to some degree. In some cases, the "arm" is very short, meaning there is little to distinguish the housing authority from a department of the First Nation government. In other cases, the "arm" is longer and provides greater authority and latitude for the housing authority to act more autonomously. Political and social trends and issues over time can affect the length of the "arm" and the stability of the arrangement Chief and Council may shorten or extend the "arm" as they deem necessary.

PURPOSE

This research project describes the issues, challenges and critical success factors associated with systems of governance and management for the delivery of on-reserve housing programs. Using the completed research, this report describes possible housing authority models. The research and documentation of successful First Nations models is intended to support development of housing management systems for other First Nation communities.

Methodology

The project involved three stages.

1. A review of available literature
2. Telephone interviews with key informants in 11 First Nations with existing housing authorities
3. Visits to four housing authorities from the 11 interviewed by telephone

The information from the research, interviews and site visits provided a picture of various management models of on-reserve housing authorities. Based on this information, a number of conclusions about on-reserve housing authorities have been reached.

FINDINGS

The housing authorities studied cover a wide range of autonomy, ranging from incorporated organizations with an independent board of directors, to groups that operate much as a government department reporting to Chief and Council.

In some cases, the degree to which the authority is actually arm's-length from Chief and Council is minimal on paper but greater in practice. In these cases, although the authority may be closely tied to the political level of the First Nation, it is either policy or practice for the elected leaders to involve themselves as little as possible in the day-to-day operations of the housing authority.

The interviews suggest that several precursors must exist or be created to establish a successful housing authority, regardless of its model. Most importantly, an essential component of community development and quality of life is a vision by the political leadership of a housing service. Also important is willingness of leadership to move housing functions to an arm's-length body and to recognize the importance of keeping housing functions at arm's-length.

Canada

CMHC SCHL
HOME TO CANADIANS

ISSUES AND CHALLENGES

Issues and challenges faced by housing authorities studied include:

- **Autonomy**
  The degree of autonomy, structurally and operationally (policy and practice), is in constant dynamic balance and sometimes in tension as political leaders, community members and staff strive to find the best alternative for their community.

- **Turnover**
  The turnover of political leadership and staff is a significant issue in the stability, capacity and ongoing progressive development of a housing authority.

- **Operating Environment**
  Physical environment—location of the community, physical geography, availability of land, environmental constraints, access to water, and so on—all affect the challenges housing authorities face in meeting demand.

- **Demographics**
  The size and make-up of the community population, and the degree to which it is transient, aging and growing, influence the success of the housing authority in maintaining support in the community.

- **Recent History and Community Support**
  The recent history (last 10 years) of housing program implementation is part of the community context within which housing authority development occurs. If the history is positive, it provides a foundation for community trust and support. If negative, it can be difficult to overcome.

- **Relationship Problems and Conflict**
  Individual or family-based tensions can negatively affect the "business" of the community, including the housing program.

- **Housing Shortages and Land Shortages**
  The shortage of housing and, in some cases land for housing, represent a very significant pressure, creating incentives to influence the system for allocating housing.

- **Change in Costs to the Occupant**
  In many areas of the country, Indian and Northern Affairs Canada (INAC) historically funded Band housing, which was provided at no direct cost to the occupants. For people receiving social assistance, the rental allocation of the benefit was directly paid to the housing program or financially adjusted internally.

  For many individuals working on-reserve, the wage and benefit levels are low. The emergence of home ownership programs has been difficult for people with low or non-existent incomes to access. In some cases, there is a lack of equity across the reserve, with some families living in "old houses" that have no rental or ownership agreements and others living in new "homeowner" units.

CONCLUSIONS AND SUMMARY

Organizational Structure and Relationships Models

Each existing and future housing management system will have to deal with unique local needs and conditions.

This research has identified four generic models of organizational structure and relationships that may be helpful in designing housing authorities.

1. **Community-Based Incorporated Housing Authority**
   This model has the most structural autonomy. The housing authority is a separate body with the power to sign contracts and possibly take on debt. It reports to a board or committee composed of members of the community, which can include members of the Band Council. Through the board, the housing authority is accountable to Chief and Council but is capable of making all significant decisions about the housing program. The housing authority may be responsible for more than one reserve or community within a First Nation.

2. **Tribal Council or Regional Housing Authority**
   This model has the same degree of autonomy as the Community-Based Incorporated Housing Authority but is responsible for a regional housing program and is accountable to more than one Chief and Council. It reports to a board or committee of Chiefs from the First Nations who are members of the Tribal Council.

   One criticism of this model is that it removes the housing program from individual communities and it becomes a challenge for the community to see and influence the program delivery. In some cases, however, this could be a strength from a consistency perspective.

3. **Unincorporated Community Housing Agency**
   This model has less structural autonomy and has no legal structure allowing it to act independently. If the relationship with Chief and Council is good, the agency may be delegated significant authority. Some decisions would involve Chief and Council.

4. **First Nation Housing Department**
   This model is structurally the least autonomous, as it is essentially a department of the First Nation government. There may be a board or committee and it may or may not have the power to make decisions, although it will have advisory influence. The Chief and Council and First Nation senior management may delegate considerable power to the housing director and staff. In this case, the housing director typically reports to the senior manager of the First Nation, who then reports to Chief and Council.

Structure is only one dimension of autonomy. Depending on the relationships, significant or "operational autonomy" can also be granted to any structure through policy and practice.

2007-01011/

First Nations will make the best decisions based on the available information and their assessment of what is most advantageous for their communities.

It is recommended that the steps for the housing authority development be articulated with the community with significant flexibility in terms of timing, order and nature.

Steps in Establishing a Housing Authority

The research shows the following generic steps for establishing a housing authority.

1. **Leadership vision**	Leadership expressing the desire to establish a Housing Authority and committing to sustain the effort over time, to the extent possible.
2. **Planning**	Developing options and making decisions about a housing authority needs to be set out in a plan with financial and human resources allocated.
3. **Background research**	Research that meets the information requirements for good decision-making and fully articulates the range of possible options for development of effective housing management systems. The research should include a review of the First Nation Community (size, existing stock, programs, and policies) to ensure there are cost efficiencies and other benefits which will result from the new authority. One result could be more quality built houses. Background research may include consulting with Elders and seeking traditional knowledge and wisdom to support the articulation of values and principles, as well as practices that honour culture and traditions.
4. **Community consultation**	Systematically collecting the views of the community. It may be helpful to go to the community early with a "clean slate" to collect initial thoughts and again later to present options for feedback.
5. **Capacity assessment and plan for development**	Once several options are clear, leadership needs to understand what capacity gaps may exist and how they might fill them, depending on the options chosen.
6. **Inform Stakeholders or Impacted Departments**	Once a preferred set of options has been "packaged" into a community-based model that has local support, ensure stakeholders and impacted departements are kept informed of the establishment of the new authority so program requirements and administrative contact can easily transition to the new housing authority.
7. **Final decision-making**	Chief and Council or, in the case of a Tribal Council model, a collection of leadership bodies, need to make the final decision to proceed.
8. **Implementation planning**	Staff develops an implementation plan to support the housing authority development. The plan may include financial planning and systems development, policy development, program development, evaluation plans, and training of staff, Chief and Council or housing authority board and committees.
9. **Monitoring implementation and redirection**	Planning may highlight problems in the chosen options that may require re-visiting earlier decisions. As the implementation plan rolls out, problems may arise that require changing earlier decisions or changing course.
10. **Responsibility and accountability**	Throughout the process, the responsibility taken by the various players needs to be clear, the roles fully understood and the mechanisms for accountability respected.

CMHC Project Manager: Karen Bolt

Consultant: A Joint initiative of
Hanson and Associates\Macleod Institute

Housing Research at CMHC

Under Part IX of the *National Housing Act*, the Government of Canada provides funds to CMHC to conduct research into the social, economic and technical aspects of housing and related fields, and to undertake the publishing and distribution of the results of this research.

This fact sheet is one of a series intended to inform you of the nature and scope of CMHC's research.

To find more *Research Highlights* plus a wide variety of information products, visit our website at

www.cmhc.ca

or contact:

Canada Mortgage and Housing Corporation
700 Montreal Road
Ottawa, Ontario
K1A 0P7

Phone: 1-800-668-2642
Fax: 1-800-245-9274

©2006, Canada Mortgage and Housing Corporation
Printed in Canada
Produced by CMHC 04-10-06

Although this information product reflects housing experts' current knowledge, it is provided for general information purposes only. Any reliance or action taken based on the information, materials and techniques described are the responsibility of the user. Readers are advised to consult appropriate professional resources to determine what is safe and suitable in their particular case. Canada Mortgage and Housing Corporation assumes no responsibility for any consequence arising from use of the information, materials and techniques described.

65233